



Department of Justice

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JUSTICE DEPARTMENT REQUIRES RESTRUCTURING OF SYNGENTA'S ACQUISITION OF ADVANTA

Divestiture of Worldwide Sugar Beet Seed Business Preserves Innovation and Pricing Competition for American Farmers

WASHINGTON, D.C. – The Justice Department announced today that it is requiring Syngenta AG to divest the worldwide sugar beet seed business of Advanta B.V. in order to proceed with its planned \$475 million acquisition of Advanta. The Department said the transaction, as originally proposed, would have resulted in higher prices and reduced seed innovation for U.S. sugar beet growers.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"If the original transaction had been allowed to proceed, American farmers would have lost one of the major innovators for sugar beet seeds," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division. "As a result of the divestiture, farmers will continue to benefit from the competition that results in lower priced seeds with higher yields and better disease resistance."

Syngenta and Advanta currently compete to develop and produce sugar beet seeds planted in the United States. Sugar beets are sold to processors, who convert them to sugar.

According to the complaint, Syngenta and Advanta are two of only three significant developers of sugar beet seeds suitable for growing in the United States. Both companies devote considerable research and development resources to seed innovation.

Syngenta, the third largest agricultural seed company in the world, is headquartered in Switzerland. Its global seed sales were approximately \$1 billion in 2003. Syngenta sells its sugar beet seeds in the United States under the Hillebrand brand, and its 2003 sales in the U.S. were approximately \$10 million.

Advanta, a Dutch corporation owned by two European companies, is the fifth largest agricultural seed company in the world. In 2003, Advanta had U.S. sugar beet seed sales of approximately \$7 million.

As required by the Tunney Act, the proposed consent decree will be published in *The Federal Register*, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed consent decree during a 60-day comment period to Roger W. Fones, Chief, Transportation, Energy & Agriculture Section, Antitrust Division, U.S. Department of Justice, 325 7th Street, NW, Suite 500, Washington, D.C. 20530 (202-307-6351). At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the Final Judgment upon finding that it serves the public interest.

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